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Chair: Ms. Plakalović (Vice-Chair) ..... (Serbia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

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Agenda item 133: Programme budget for the biennium 2010-2011 (*continued*)

Second performance report on the programme budget for the biennium 2010-2011

In the absence of Mr. Tommo Monthe (Cameroon), Ms. Plakalović (Serbia), Vice-Chair, took the Chair.

The meeting was called to order at 10.20 a.m.

Agenda item 134: Proposed programme budget for the biennium 2012-2013 (*continued*)

Review of arrangements for funding and backstopping special political missions (A/66/7/Add.21 and A/66/340)

Request for a subvention to the Special Court for Sierra Leone (A/66/7/Add.19 and A/66/563)

1. **Ms. Casar** (Controller), introducing the report of the Secretary-General on the review of arrangements for funding and backstopping special political missions (A/66/340), said that two possible options were proposed as alternatives to the existing funding arrangements. The first option was to establish a special and separate account for special political missions that would be budgeted, funded and reported on annually with a financial period of 1 July to 30 June. The other option was to segregate the budgets of special political missions under a new section of the programme budget and present them on an annual basis. With respect to improving the funding arrangements during the transition from peacekeeping operations to special political missions, the Secretary-General proposed that the General Assembly should authorize special political missions to access the Peacekeeping Reserve Fund. Another option would be for the Assembly to increase the Secretary-General's commitment authority for unforeseen and extraordinary expenses from $10 million to $50 million, with the concurrence of the Advisory Committee, per decision of the Security Council. Both options would allow rapid response to the changing resource needs of special political missions during the start-up, expansion and transition phases.

2. Four options were proposed for the backstopping of political missions: making the support account for peacekeeping operations available to meet the backstopping requirements of special political missions; using the special separate account, if approved by the Assembly, to fund the support account for peacekeeping operations and the Global Service Centre, based on the size of the special political mission budget as a percentage of the combined budgets for special political missions and peacekeeping missions; charging variable backstopping requirements to the budgets of special political missions; and including backstopping capacity for special political missions within the support account and the Global Service Centre and contributing to them from the programme budget based on the size of the special political mission as a percentage of the combined budgets for special political missions and peacekeeping operations.

3. Turning to the Secretary-General's report on the request for a subvention to the Special Court for Sierra Leone (A/66/563), she said that the report was submitted pursuant to General Assembly resolution 65/259, by which the Assembly had authorized the Secretary-General, as an exceptional measure, to enter into commitments in an amount not to exceed $9,882,594 to supplement the voluntary financial resources of the Special Court for the period from 1 January to 31 December 2011. Due to unforeseen circumstances, the Court would be unable to complete its work by February 2012 as previously planned. Consequently, it would require additional financial support for its activities through July 2012, the anticipated completion date. The present report set out the status of the Court's activities and its total resources. Taking into account the absence of voluntary contributions to the Special Court as at the end of October 2011, the Secretary-General sought the Assembly's approval of a subvention of $9,066,400 for the period from January to July 2012 to be charged against the provision for special political missions for the biennium 2012-2013. The amount of the subvention would be adjusted should further voluntary contributions be received.

4. **Mr. Pascoe** (Under-Secretary-General for Peacekeeping Support) said that, as requested by the General Assembly in its resolution 65/259, the Secretariat had carefully examined the issues and made proposals aimed at remedying the deficiencies in the current arrangements for funding and backstopping special political missions.

5. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the review of arrangements for funding and backstopping special political missions (A/66/7/Add.21), said that the increasing utilization of the mechanism of special political missions and their expanded scope and size justified reassessing their funding and backstopping to determine what arrangements would best facilitate the effective and efficient delivery of their mandates. The Advisory

Committee had, however, pointed out a number of shortcomings in the Secretary-General's report (A/66/340); it would have expected a more in-depth analysis of the effectiveness of existing arrangements and a breakdown of which issues affected the respective thematic clusters of special political missions. The Advisory Committee had been informed that the implementation of the options for revised funding and backstopping arrangements would not, in themselves, engender additional costs. It noted, however, that the analysis of potential costs associated with a change in the financial period for special political missions to 1 July to 30 June was incomplete.

6. The Advisory Committee recommended the creation of a separate and special account for the funding of special political missions, together with a change in the financial period to 1 July to 30 June. Although the information received did not fully justify how such a change would address all the problems identified, the Advisory Committee considered that it would bring the benefits outlined in paragraph 31 of its report (A/66/7/Add.21). Further information on the implications for General Assembly processes of the proposed change in financial period should be provided to the Assembly when it considered the proposals.

7. Recognizing the importance of the Secretary-General being able to respond in a timely manner to decisions on the start-up, expansion or transition of special political missions and taking into account the historical pattern of their requirements, the Advisory Committee recommended that the Assembly should approve access, with the concurrence of the Advisory Committee, to the Peacekeeping Reserve Fund of up to $25 million per decision of the General Assembly or Security Council relating to the start-up or expansion of field-based special political missions. The Advisory Committee also recommended, in respect of General Assembly or Security Council decisions relating to the start-up or expansion of a special political mission, that the Assembly should authorize commitments of up to $25 million, with the concurrence of the Advisory Committee, for strategic deployment stocks in advance of the corresponding budget appropriation.

8. With respect to the backstopping of missions at Headquarters, the Advisory Committee was of the view that benefits would accrue if variable backstopping arrangements were resourced through one mechanism. Accordingly, it recommended that the Assembly should make the support account available to all departments and offices to fund their variable backstopping requirements in relation to field-based special political missions while maintaining the existing arrangements for the financing of the support account and the Global Service Centre. Allowing the peacekeeping support account to be used in that manner should not, at current levels of activity, lead to additional requirements under the support account.

9. Turning to the Advisory Committee's report on the request for a subvention to the Special Court for Sierra Leone (A/66/7/Add.19), he said that the change in the Court's expected completion date from February to July 2012 had led to an increase in the approved budget for 2012 from $2.4 million to $9.1 million. There being no voluntary contributions for 2012, the Secretary-General sought the Assembly's approval for a subvention of $9,066,400 so that the Special Court could complete its mandate. Any subvention approved by the Assembly would be disbursed in increments and adjusted on the basis of voluntary contributions.

10. The Advisory Committee recommended, as an exceptional measure, approval of the subvention. It was understood that any regular budget funds appropriated for the Court would be refunded to the United Nations when the Court was liquidated and that the United Nations Secretariat and the Management Committee, Registrar and other senior officials of the Court would intensify their efforts to fund its activities through voluntary contributions and to broaden its donor base. The Advisory Committee expected that there would be no further requests for subventions to the Special Court.

11. Chapter III addressed the residual and legacy activities that would take place in preparation for and after the Special Court's closure. The Advisory Committee trusted that effective fundraising methods would be adopted so as to secure sufficient voluntary contributions for the Residual Special Court that had been established by an agreement between the United Nations and the Government of Sierra Leone.

12. **Mr. Presutti** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Iceland and Montenegro; and, in addition, the Republic of Moldova, Serbia and Ukraine, said that, while the European Union regretted the late introduction of the reports on funding and backstopping arrangements for special political missions, it looked forward to a

thorough discussion of the topic, given the importance of such missions for preventing, controlling and resolving conflicts.

13. The European Union had repeatedly requested realistic forecasting and budgeting for special political missions. However, the options presented would, in combination, radically change the United Nations budget process. Before taking any decision on proposals of that magnitude, the Committee must fully understand the issues to be addressed: he was concerned that the analysis and evidence presented in the Secretary-General's report (A/66/340) were insufficiently comprehensive. He would therefore seek during the informal consultations to explore the underlying rationale and to consider the administrative implications, costs, risks and possible benefits of the various options.

14. The European Union had stated repeatedly that no proposal to reform the budget process should be considered in isolation. Some delegations had indicated previously that they wished to consider changing the scale of assessments applied to special political missions. None of the options in the Secretary-General's report implied a need for such a change. Applying the scale of assessments for peacekeeping operations to special political missions would lead to a less balanced distribution of the financial responsibilities among Member States, which would be unacceptable.

15. **Mr. Hagmann** (Switzerland), speaking also on behalf of Liechtenstein, said that the number, scope and complexity of special political missions had increased to the point where they made up 20 per cent of the regular budget, compared to 6 per cent in the biennium 2000-2001. Given the timing and unpredictability of requirements for such missions, the biennial framework was insufficiently flexible to provide for their optimal funding; Switzerland and Liechtenstein therefore endorsed the Advisory Committee's recommendation to establish a separate account and financial year for special political missions. He concurred with the Secretary-General that special political missions required a clearly defined mechanism to enable the immediate funding of start-up, expansion or transition upon the adoption of a mandate. To that end, the proposal to give them access to the Peacekeeping Reserve Fund and the strategic deployment stocks was promising. Lastly, synergies between the support capacity for peacekeeping missions and for special political missions should be encouraged to avoid duplication. Special political missions should have access to United Nations support capacities regardless of the source of funding. That would also contribute to greater transparency in the allocation of resources for support throughout the United Nations system.

16. It was regrettable that such an important and complex matter was being taken up only at the end of the session and that the Advisory Committee's report had become available shortly before its formal introduction, leaving little time for delegations to examine it carefully. Sufficient time should be allocated for the Committee's deliberations to ensure that delegations understood the full implications of the proposed options.

17. **Mr. de Alba** (Mexico) said that the increase in resources for special political missions was the single biggest factor in the growth of the regular budget. Given the nature of such missions, the most suitable solution would be to create a separate account for special political missions and to align their budget cycle with that of peacekeeping missions. His delegation also supported the Advisory Committee's recommendations on giving special political missions access to the support account, the Peacekeeping Reserve Fund and the strategic deployment stocks.

18. Of the 31 special political missions currently in operation, only one had been established by a decision of the General Assembly, while the remainder had been established by the Security Council. In the absence of a forum in which the Assembly might discuss all aspects of such missions, its oversight was limited to their funding. Moreover, the funding mechanisms for special political missions, particularly the scale of assessments, failed to take into account the role and nature of those missions and the special responsibilities of the permanent members of the Security Council.

19. Endorsing the statement made by the representative of Switzerland regarding the late introduction of the reports, he said that the challenges outlined should be addressed urgently.

20. **Mr. Lieberman** (United States of America) said that the shortcomings in the administrative and financial arrangements for special political missions could be addressed through technical adjustments to the existing arrangements. Wholesale changes might have adverse implications that were not adequately

addressed in the Secretary-General's report (A/66/340), including for the Fifth Committee's consideration of proposals. Moreover, while the Committee had repeatedly expressed concern at the piecemeal approach to budgeting, the Secretary-General's most far-reaching proposals would in fact exacerbate the piecemeal nature of the budget process.

21. The proposals now before the Committee entailed fundamental changes to the basic structure of a substantial part of its work, given that special political missions represented some 20 per cent of the regular budget. Careful deliberation was imperative to ensure that any changes to the funding and backstopping arrangements had no adverse impact on vulnerable populations in areas served by many of the missions.

22. **Mr. Ren** Yisheng (China) said that he was concerned at the late issuance of the reports currently before the Committee; indeed, the Advisory Committee's report had become available on the day that deliberations were to begin. The decision-making process would be extremely difficult when delegations had had so little time to review the reports.

23. Backstopping resources should be provided to special political missions, which played an important role in maintaining peace. However, the Secretariat should show greater budgetary discipline and improve the efficiency of resource utilization when submitting budget proposals for such missions. In his delegation's view, the establishment of a separate account for special political missions would not address the current problems comprehensively. He would seek clarification on a number of issues and urged Member States to proceed carefully in their decision-making, given the complexity of the funding and backstopping arrangements.

24. **Mr. Cumberbatch** (Cuba) said that the introduction of important reports just days before the Committee was to complete its work at the main part of the session was a sign of inefficiency on the part of the Secretariat that hindered the legislative process.

25. The Secretary-General's report on the arrangements for funding and backstopping special political missions (A/66/340) should have contained more thorough analysis and proposals that responded more adequately to Member States' desire to address the funding levels and scope of such missions. Instead, the Secretary-General had proposed changes to the funding arrangements while maintaining the current thematic clusters, thus ignoring the problem that many of the most costly special political missions were more akin to peacekeeping missions and should therefore be funded on the basis of the scale of assessments for those missions. Should the Assembly accept the recommendations of the Advisory Committee in paragraph 85 of its report (A/66/7/Add.21), it would have to make an express decision to change some of the current special political missions, such as UNAMI and UNAMA, into peacekeeping missions and to apply the appropriate scale of assessments. That would result in greater budgetary transparency and would address the difficulties outlined by the Secretary-General.

26. In the absence of criteria to distinguish a special political mission from a peacekeeping mission, the Advisory Committee's recommendations would allow the Secretariat and the Security Council to make any field mission a special political mission, thus absolving the permanent members of the Council from their financial obligations for peacekeeping missions. Such a situation would be unacceptable to his delegation.

27. Given the complexity and sensitivity of the proposals before the Committee, it should make provision for the funding of special political missions for the first six months of 2012 and defer discussion of the subject to the second part of the resumed session.

28. **Mr. Prokhorov** (Russian Federation) said that the analysis of issues in the funding and backstopping of special political missions and the proposals set out in the Secretary-General's report (A/66/340), which at first glance appeared merely technical in nature, would in fact lead to substantive changes in the budget and funding process for such missions. It would be impossible to reach a final decision on any of the options at the current stage, owing in part to the lack of information from the Secretariat and the lack of clarity in the Advisory Committee's recommendations.

29. Considering that the issues relating to special political missions were unlikely to be resolved, his delegation favoured continuing to fund them under the regular budget. Changing their budget cycle to that of peacekeeping missions would also be unacceptable: in the previous three years, the second part of the resumed session, which was reserved for the consideration of peacekeeping budgets, had failed to end on schedule owing to the politicization of the issues under discussion. He also had concerns about the proposal to give special political missions access to the reserve

mechanisms established and financed by Member States to ensure the uninterrupted functioning of peacekeeping operations: it was crucial that the Assembly's decisions on the matter under consideration should have no adverse effect on those operations.

30. His delegation would seek carefully considered and non-politicized solutions that would meet the interests of all parties and would not entail potential negative consequences for the future. For example, it wished to avoid, in the decision-making on special political missions, the type of error that had occurred when the United Nations Mission in South Sudan (UNMISS) had been established using the standardized funding model, depriving Member States of the opportunity to discuss the requirements for the new Mission.

Revised estimates resulting from resolutions and decisions adopted by the Human Rights Council at its sixteenth, seventeenth and eighteenth sessions and its fifteenth, sixteenth and seventeenth special sessions (A/66/7/Add.20 and A/66/586)

Programme budget implications of draft resolution A/C.3/66/L.55/Rev.1: Situation of human rights in Myanmar (A/66/7/Add.15; A/C.5/66/10)

Programme budget implications of draft resolution A/C.3/66/L.29/Rev.1: Convention on the Rights of Persons with Disabilities and the Optional Protocol thereto (A/66/7/Add.17; A/C.5/66/11)

Programme budget implications of draft resolution A/66/L.21: Oceans and law of the sea (A/66/7/Add.14; A/C.5/66/12)

31. **Ms. Casar** (Controller), introducing the revised estimates resulting from resolutions and decisions adopted by the Human Rights Council at its sixteenth, seventeenth and eighteenth sessions and its fifteenth, sixteenth and seventeenth special sessions (A/66/586), said that additional budgetary requirements estimated at $11 million for the biennium 2010-2011 and $13.3 million for the biennium 2012-2013 had resulted from resolutions and decisions adopted by the Human Rights Council in 2011. The Assembly was requested to endorse meeting the additional requirements for 2010-2011 from within the resources appropriated under the programme budget for that biennium as reported in the second performance report (A/66/578 and Corr.1); to approve an additional appropriation of $13.3 million, including $4.8 million under section 2, General Assembly and Economic and Social Council affairs and conference management, $7.4 million under section 24, Human rights, and $144,300 under section 28E, Administration, Geneva, of the programme budget for the biennium 2012-2013, to be considered in the context of the contingency fund for that biennium; and to approve the establishment of six new posts under section 24, Human rights, of the proposed programme budget for the biennium 2012-2013. In that connection, $178,800 would be required under section 17, Staff assessment, of the programme budget for the biennium 2012-2013, to be offset by an equivalent amount under income section 1, Income from staff assessment.

32. Introducing the statement of programme budget implications of draft resolution A/C.3/66/L.55/Rev.1 on the situation of human rights in Myanmar (A/C.5/66/10), she said that the estimated cost of continuing the role of the good offices of the Secretary-General in 2012 under the draft resolution amounted to $1.2 million, excluding staff assessment. That included a staffing component of one Special Adviser at the Under-Secretary-General level to be retained on a when actually employed basis, two P-4 and one P-3 Political Affairs Officers, and one General Service administrative assistant. For the purpose of presenting the overall resource requirements for special political missions, those requirements had been included in the Secretary-General's report on estimates for those missions for 2012 (A/66/354/Add.1 and Corr.1 and 2).

33. Should the Assembly adopt draft resolution A/C.3/66/L.55/Rev.1, there would be requirements in the amount of $1.2 million under section 3, Political affairs, which would be charged against the provision for special political missions for 2012-2013, and $157,600 under section 37, Staff assessment, to be offset by a corresponding amount under income section 1 of the proposed programme budget for the biennium 2012-2013. Approval of the requirements was being sought in the context of the Secretary-General's estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (A/66/354/Add.1 and Corr.1 and 2).

34. Turning to the statement of programme budget implications of draft resolution A/C.3/66/L.29/Rev.1 on the Convention on the Rights of Persons with Disabilities and the Optional Protocol thereto

(A/C.5/66/11), she said that, in accordance with rule 153 of the rules of procedure of the General Assembly, a statement of budget implications (A/C.3/66/L.58) had been before the Third Committee when it adopted the draft resolution, under which the Assembly would authorize an additional week of annual meeting time for the Committee on the Rights of Persons with Disabilities to be used consecutive to an existing regular session, bearing in mind the requirements for reasonable accommodation and without prejudice to the ongoing reform aimed at strengthening the treaty body system. The Committee would meet in Geneva for one additional week in 2012 and 2013, respectively, in order to address the reports awaiting consideration.

35. No provision had been made in the proposed programme budget for the biennium 2012-2013 for the activities requested under paragraph 6 of the draft resolution and it was not possible at present to identify activities within the relevant budget sections that could be terminated, deferred, curtailed or modified during the biennium. Should the Assembly adopt draft resolution A/C.3/66/L.29/Rev.1, additional resources totalling some $3.0 million would be required, including $213,600 under section 24, Human rights, $2.8 million under section 2, General Assembly and Economic and Social Council affairs and conference management, and $8,800 under section 29E, Administration, Geneva, of the proposed programme budget for the biennium 2012-2013. That would represent a charge against the contingency fund and, as such, would require additional appropriation for the biennium 2012-2013.

36. Introducing the statement of programme budget implications of draft resolution A/66/L.21 on oceans and law of the sea (A/C.5/66/12), she said that, under the terms of paragraphs 63 and 64 of the draft resolution, the Assembly would request the Secretary-General to allocate appropriate and sufficient resources to the Division for Ocean Affairs and the Law of the Sea to provide adequate services and assistance to the Commission on the Limits of the Continental Shelf, including through the establishment of additional posts to reinforce the Geographic Information System and legal and administrative support to the Commission. Further, under the terms of paragraphs 36, 66, 168, 208, 231 and 245 of the draft resolution, the Secretary-General would be requested to convene meetings of the States Parties to the Convention, the Commission, and various working groups dealing with related issues, as well as plenary meetings at the sixty-seventh session of the Assembly.

37. The estimated requirements for strengthening the capacity of the Division for Ocean Affairs and the Law of the Sea were $815,800 to cover the cost of three new posts — one P-5 Geographic Information System Officer, one P-4 Legal Officer and one General Service Administrative/Information Technology Assistant — and post-associated operational costs. No additional resources would be required for conference services related to the meetings mentioned, since they had already been included in the calendar of conferences and meetings. Accordingly, should the Assembly adopt draft resolution A/66/L.21, additional resources of $815,800 would be required: $537,000 under section 8, Legal affairs, $192,100 under section 29D, Office of Central Support Services and $86,700 under section 37, Staff assessment, to be offset by an equal amount under income section 1 of the proposed programme budget for the biennium 2012-2013.

38. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the revised estimates resulting from resolutions and decisions adopted by the Human Rights Council at its sixteenth, seventeenth and eighteenth sessions and its fifteenth, sixteenth and seventeenth special sessions (A/66/7/Add.20), said that the Advisory Committee's recommendations would entail a reduction of $886,200 in the additional requirements of $13,261,800 proposed for the biennium 2012-2013. For the biennium 2010-2011, the Secretary-General proposed to accommodate the additional requirements of $10,573,700 from within the existing appropriation, as reported in the second performance report (A/66/578 and Corr.1).

39. In addition to a total of six posts proposed for the biennium 2012-2013, the Secretary-General proposed a number of positions to be funded, in the amount of $3,720,000, under general temporary assistance. A list of all the positions and their levels, durations of service and functions was provided in annex I to the Advisory Committee's report (A/66/7/Add.20). The Advisory Committee did not recommend approval of the two P-3 posts and three positions, as explained in paragraphs 4, 5, 8 and 10 of its report.

40. In its report on the programme budget implications of draft resolution A/C.3/66/L.55/Rev.1 on

the situation of human rights in Myanmar (A/66/7/Add.15), the Advisory Committee noted that the cost of continuing the good offices of the Secretary-General for one year through his Special Adviser would be $1,200,500. That function had been undertaken by an acting Special Adviser since 1 January 2010 and the appointment of a new Special Adviser was expected by the end of 2011. The Advisory Committee welcomed the support provided by the Group of Friends of the Secretary-General on Myanmar and encouraged the Office of the Special Adviser to take full advantage of the opportunities for holding meetings in New York in order to reduce travel costs. The proposed requirements, which would be charged against the provision for special political missions under section 3, Political affairs, of the programme budget for the biennium 2012-2013, had already been submitted to the Assembly at its current session.

41. Introducing the Advisory Committee's report on the programme budget implications of draft resolution A/C.3/66/L.29/Rev.1 on the Convention on the Rights of Persons with Disabilities and the Optional Protocol thereto (A/66/7/Add.17), he said that the Advisory Committee recommended that the Fifth Committee should inform the Assembly that, should it adopt the draft resolution, additional resource requirements of $2,993,200 would be required for the biennium 2012-2013 and would represent a charge against the contingency fund.

42. On the status of the backlog of reports from States Parties to the Convention pending review by the Committee on the Rights of Persons with Disabilities, the Advisory Committee had been informed that only 2 of the 24 reports received to date had been examined and that at the current pace of considering one report in a one-week session, it would take 11 years to review the 22 remaining reports; the proposed addition of one week of meeting time would reduce that to five and a half years.

43. Turning to the Advisory Committee's report on the programme budget implications of draft resolution A/66/L.21 on oceans and law of the sea (A/66/7/Add.14), he said that, in view of the anticipated increased workload of the Commission on the Limits of the Continental Shelf, the Advisory Committee had no objection to the three posts proposed for the Office of Legal Affairs to assist the Commission. It recommended that the Fifth Committee should inform the Assembly that, should it adopt the draft resolution, additional resources of $815,800 would be required under the proposed programme budget for the biennium 2012-2013 and would represent a charge against the contingency fund.

44. **Mr. Hagmann** (Switzerland), speaking also on behalf of Liechtenstein, said that it was crucial to provide the necessary financial support to implement the decisions and resolutions of the Human Rights Council. He wished to highlight two decisions in particular: the first was to establish the Office of the President of the Council, which should be properly funded to enable it to support the President in the discharge of his mandate; the second was to establish the mandate of a Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence, which would help combat impunity and give a voice to victims.

Financing of unforeseen and extraordinary expenses arising from resolutions and decisions of the Human Rights Council (A/66/7/Add.16 and A/66/558 and Corr.1)

Limited budgetary discretion (A/66/7/Add.18 and A/66/570)

45. **Ms. Casar** (Controller), introducing the Secretary-General's report on the financing of unforeseen and extraordinary expenses arising from resolutions and decisions of the Human Rights Council (A/66/558 and Corr.1), said that it presented three options for the financing of extraordinary expenses. The first option, which involved including in the budget outline and the proposed programme budget a provision for financing urgent independent commissions of inquiry and/or fact-finding missions resulting from decisions and resolutions of the Human Rights Council, would require an additional appropriation of $2 million under section 24, Human rights, of the proposed budget programme for the biennium 2012-2013. Under the second option, a reserve fund of $2 million per biennium would be established. Guidance on the use of the fund would be required from the Advisory Committee and the General Assembly, specifying the circumstances under which the funds could be committed, released and reported to the Assembly. The third option was to allow access to immediate funding for urgent activities resulting from resolutions of the Human Rights Council under paragraph 1 (a) of General Assembly resolution

64/246, the terms of which could be amended to include activities mandated by the Human Rights Council with a limit of $2 million per biennium, within a specific limit, on the same basis as for the maintenance of peace and security. The Assembly was requested to decide on the most appropriate option.

46. The Secretary-General's report on limited budgetary discretion (A/66/570) provided information on its utilization to date on an experimental basis; the implications for human resources management policy and the Financial Regulations and Rules; the impact on programme delivery and the priorities of the Organization as set by the Member States; and the criteria used by the Secretary-General to define the evolving needs of the Organization. Information on the purpose and benefits of the limited budgetary discretion mechanism and recommendations were also included.

47. The purpose of limited budgetary discretion, as authorized by General Assembly resolutions 60/283 and 64/260, was to allow reallocation of resources between budget sections in order to meet the changing requirements of the Organization for which resources were not otherwise available. That authority fell outside the parameters of existing mechanisms and did not require additional funds or a new appropriation. The experience gained over three bienniums had demonstrated the value of the discretionary authority to respond quickly to emerging needs by deploying funds within the approved level of appropriations. The experiment, which was governed by the nine principles set out by the Assembly and complied with the Financial Regulations and Rules and human resources management policies, had allowed the Secretary-General to address requirements which, if left unaddressed, might have adversely affected programme delivery.

48. Limited budgetary discretion, which met a need that was not provided for by other mechanisms, had allowed the Secretary-General to carry out his managerial responsibilities more effectively. The permanent establishment of the mechanism, with some modification, was therefore recommended. In view of the events that had affected United Nations operations and the increasing number and economic impact of natural disasters, together with the overall positive outcome of the current mechanism, it was proposed to increase the limit of the discretionary authority from $20 million to $30 million per biennium. To ensure that the Secretary-General was able to respond swiftly to changing requirements, it was also proposed to modify his authority to enter into commitments without the prior concurrence of the Advisory Committee to $6 million per year rather than per biennium. Lastly, it was proposed that an exception be made to allow use of the discretion in pursuance of General Assembly resolutions calling for implementation "within existing resources" of cross-cutting activities that affected several budget sections.

49. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of unforeseen and extraordinary expenses arising from resolutions and decisions of the Human Rights Council (A/66/7/Add.16), said that the Secretary-General's proposal to change the current arrangements for such financing was premature, because the existing procedure for financing unforeseen activities not related to peace and security under paragraph 1 of General Assembly resolution 64/246 had not been utilized since the establishment of the Human Rights Council in 2006. It was the Advisory Committee's view that those arrangements must be assumed to be fit for purpose. It therefore recommended that the Assembly should decide to maintain the existing procedure and request the Secretary-General to report to it at its sixty-eighth session on the utilization of that procedure.

50. Turning to the Advisory Committee's report on limited budgetary discretion (A/66/7/Add.18), he said that the Advisory Committee emphasized that the exercise of that discretion must comply with the nine principles set out by the General Assembly in its resolution 60/283. Clearer criteria for the utilization of limited budgetary discretion would ensure a more consistent approach. The Advisory Committee considered that the Secretary-General's proposal did not contain adequate justification for the proposed modifications to the authority and that the biennial utilization pattern to date did not indicate that the $20 million limit was insufficient. It therefore recommended the continuation of the limited budgetary discretion under the current arrangements, that is, on an experimental basis for commitments up to $20 million per biennium, with amounts exceeding $6 million requiring the prior concurrence of the Advisory Committee. Lastly, the Advisory Committee recommended that the Secretary-General should be

requested to provide information to the Assembly at its sixty-eighth session on the issues raised in the present report.

51. **Mr. Presutti** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Iceland and Montenegro; and, in addition, the Republic of Moldova, Serbia and Ukraine, said that it was regrettable that the Committee was taking up the question of financing the implementation of Human Rights Council decisions so late in the session and that there had been little time for delegations to review the Advisory Committee's report before its formal introduction. While he welcomed the options presented by the Secretary-General, it was worrying to learn at that late stage that a financing procedure already existed that had not been brought to light during the extensive discussions of the Human Rights Council earlier in 2011. It was also a matter of concern that the Secretary-General had not commented on that procedure more extensively in his report.

52. He welcomed the Advisory Committee's focus on the current procedure in its report (A/66/7/Add.16) and its commitment to consider urgent funding requests as and when required. The Secretary-General should make every effort to ensure that the time taken to prepare the relevant submissions did not delay the release of resources and should report to the Assembly on the utilization of the funding procedure.

53. **Mr. Hagmann** (Switzerland), speaking also on behalf of Liechtenstein, said that Member States had a responsibility to ensure that the regular budget included an effective and transparent mechanism that would allow the Office of the United Nations High Commissioner for Human Rights (OHCHR) to finance unforeseen and extraordinary activities. The most suitable option would be to amend the resolution on unforeseen and extraordinary expenses to include the financing of urgent activities relating to human rights.

54. He was astonished at the contradictory positions of the Secretary-General and the Advisory Committee in the matter: whereas the former stated that no mechanism currently existed for funding the extraordinary requirements of the Human Rights Council, the latter recommended maintaining the status quo, which included a mechanism that had not yet been used. It was unfortunate that Member States had had insufficient time to examine the Advisory Committee's report owing to its late issuance and that a crucial issue was being taken up only at the end of the session; adequate time should be allocated for its consideration to enable the Assembly to take a well-informed decision.

55. **Mr. Haniff** (Malaysia) said that the issue of financing unforeseen requirements arising from resolutions of the Human Rights Council should be addressed urgently; however, given the Advisory Committee's concerns about the Secretary-General's proposals, it would be prudent for any additional requirements to be absorbed within the approved budget. Member States should be informed of requests for commitment authority and the existing mechanism for financing extraordinary requirements should be fully implemented.

56. There was a need for transparency and accountability in the activities of the Human Rights Council. Failure by special procedures mandate holders to respect the sovereignty and territorial integrity of Member States might lead to friction or even non-cooperation. Member States should in turn support the work of mandate holders and avoid politicizing activities related to the promotion and protection of human rights.

57. **Mr. Cumberbatch** (Cuba) said that the issue of financing the unforeseen and extraordinary expenses of the Human Rights Council had been exaggerated: in its report (A/66/7/Add.16), the Advisory Council had indicated that no urgent activity of the Council had been suspended for lack of funds. Any adjustment of its priorities had stemmed from the shortage of financial resources that affected all parts of the Secretariat. In its resolution 62/238, the Assembly had denied the Secretary-General's request for a special funding mechanism for requirements of the Human Rights Council and the Advisory Committee had stated, in paragraph 25 of its report on the issue (A/62/7/Add.25), that if there was a recurrent need for special human rights missions, consideration should be given to including a provision in both the budget outline and the proposed programme budget akin to that used for special political missions. In its resolution 63/263, the Assembly had approved the annual presentation of the revised estimates arising from the adoption of resolutions and decisions by the Council, while the Advisory Committee had stated in its report (A/63/629) that amendment of the resolution on unforeseen and extraordinary expenses would require

further study. It was therefore noteworthy that the Advisory Committee now considered that the current wording of the resolution allowed for the use of that mechanism. His delegation rejected that interpretation, which also contradicted the concerns about budgetary transparency previously expressed by the Advisory Committee. Consequently, it could not support the Secretary-General's proposal or the Advisory Committee's related recommendations, which were contrary to General Assembly resolutions 41/213 and 42/211 and the resolution on unforeseen and extraordinary expenses. The status quo should therefore be maintained until the Assembly had conducted a thorough analysis of the proposed procedures and financial mechanisms.

58. With respect to the Secretary-General's limited discretionary authority, he noted that in the three bienniums during which that authority had been in place, only one half of the amounts requested — $29 million — had been utilized, in some cases to fund activities that were not authorized by section III of General Assembly resolution 60/283. Moreover, given the recent problems of accountability in the Secretariat, he had concerns about granting the proposed increases in limits. His delegation reiterated its serious reservations about continuing an experiment that had no proven operational advantages.

59. **Mr. Ceriani** (Uruguay) said that it was regrettable that the reports on financing unforeseen and extraordinary expenses had been introduced just one week before the end of the main part of the session. The current situation, in which OHCHR used extrabudgetary funds to implement extraordinary and urgent missions, was politically and ethically unsustainable. Owing to the sensitivity of their functions, commissions of inquiry and fact-finding missions established by the Human Rights Council should be funded under the regular budget, as stated in paragraph 31 of the annex to General Assembly resolution 65/281. Nor was it acceptable for such missions to be financed using funds borrowed from other areas of the Council. It was therefore necessary to establish a mechanism that would allow immediate access to funds when a special commission was urgently established to investigate human rights violations.

60. **Ms. Takahashi** (Norway) said that the number of urgent mandates arising from resolutions of the Human Rights Council had increased in recent years, while follow-up decisions by the Council had put considerable strain on the resources of OHCHR. Her delegation agreed with much of the analysis in the Secretary-General's report on the financing of unforeseen and extraordinary expenses (A/66/558 and Corr.1), but had been surprised to learn from the Advisory Committee's report (A/66/7/Add.16) that an existing financing mechanism had not been explored. Voicing her consternation at the discrepancy between the two reports, she also expressed concern that the finding came at a very late stage, leaving little time for the Fifth Committee to consider the matter.

61. She welcomed the Advisory Committee's readiness to examine urgent requests from OHCHR under the existing mechanism and encouraged the Office to proceed as recommended by the Advisory Committee. It was crucial, however, that the mechanism should prove expeditious and effective; its use should be evaluated at the sixty-eighth session of the Assembly, or earlier if required.

62. **Ms. Ureña** (Costa Rica) said that the Human Rights Council should have the resources it required to discharge its mandate, including in crisis situations that by their very nature were unforeseeable. It was regrettable that the reports had been introduced so late, as the issue required in-depth consideration. There should be a balance in the resources devoted to each of the three pillars of the United Nations, one of which was human rights. That need was all the more pressing now, when the resources for the peace and security pillar were growing exponentially while those for the development pillar were constantly being cut. Her delegation reiterated its support for the establishment of a fund for new mandates or unforeseen events, subject to the procedures and financial regulations in effect, in order to finance urgent mandates arising from decisions of the Human Rights Council.

63. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had itself been surprised to discover that, as detailed in paragraphs 11 to 13 of its report (A/66/7/Add.16), a mechanism for financing unforeseen expenses had apparently existed since the fiftieth session of the General Assembly. Based on its interaction with the Secretariat, the Advisory Committee had concluded that a procedure for financing unforeseen activities not related to peace and security had been utilized and that the assertion in paragraph 18 of the Secretary-

General's report (A/66/558) appeared invalid; that interpretation had been confirmed by the Secretary-General's representatives.

64. **Mr. Cumberbatch** (Cuba) said that his delegation would request, in the informal consultations, the official records of the deliberations conducted at the time of the adoption of the original resolution on unforeseen and extraordinary expenses, which in the twentieth century had been invoked only for matters of peace and security. If the Advisory Committee's interpretation was correct, then any organ of the Organization could invoke the resolution. Given the sensitivity of the issue, it was unlikely that the Fifth Committee would conclude its deliberations on the matter during the week remaining in the main part of the session.

Agenda item 133: Programme budget for the biennium 2010-2011 (*continued*)

Second performance report on the programme budget for the biennium 2010-2011 (A/66/578 and Corr.1 and A/66/611)

65. **Ms. Casar** (Controller), introducing the second performance report on the programme budget for the biennium 2010-2011 (A/66/578 and Corr.1), said that it provided an estimate of the anticipated final level of expenditure for the biennium 2010-2011 and took into account changes in inflation and exchange rates and cost-of-living adjustments as compared with the update provided at the time of approval of the first performance report (A/65/589). The final estimates, which were based on actual expenditure for the first 21 months of the biennium and projected requirements for the last 3 months, were $5.416 billion for expenditure and $601.3 million for income. They reflected a net increase of $40.9 million arising from increased requirements of $103.7 million due to exchange rates; increased requirements of $11.9 million due to inflation; requirements of $24.1 million for unforeseen and extraordinary expenses and commitment authority; reduced requirements of $90.5 million from expenditure; and an increase of $8.3 million in income, reflecting the net impact of changes to staff assessment levels and increases under income sections 2, General income, and 3, Services to the public, as detailed in chapter III.

66. Chapter V contained information on the experience of seven organizations with mechanisms to mitigate the effects of fluctuations in exchange rates and inflation. The responses received from those organizations — the International Labour Organization, the International Maritime Organization, the International Fund for Agricultural Development, the United Nations Children's Fund, the United Nations Industrial Development Organization, the World Food Programme and the Joint United Nations Programme on HIV/AIDS — were reflected in the annex to the report.

67. In 2011 a study had been undertaken to ascertain the impact of foreign currency fluctuations on the programme budget using foreign exchange transactional data for the biennium 2008-2009. The findings of that review were contained in paragraphs 89 to 103 of the present report.

68. Projected total expenditure on air travel under the regular budget for the bienniums 2010-2011, with corresponding data for the bienniums 2008-2009 and 2006-2007, would be provided to the Committee in the form of supplementary information.

69. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/66/611), said that the Advisory Committee recommended approval of the revised estimates for expenditure and income. It made observations on certain expenditure adjustments, in particular emphasizing the need to address the factors driving travel requirements and to contain travel costs.

70. The Advisory Committee commented more extensively on the options for protecting the United Nations against fluctuations in exchange rates and inflation, in particular, the establishment of a hedging programme to cover the Organization's exposure to currency fluctuations in Swiss francs and euros against the dollar. Noting the Secretary-General's statement that such a programme would need a robust risk management and accounting system, the Advisory Committee considered that insufficient information had been provided to allow the Assembly to make an informed decision in the matter.

71. The Advisory Committee was also of the view that the Secretary-General had not responded comprehensively to the Assembly's request, in its resolution 64/243, to report on options for protecting the United Nations against fluctuations in exchange rates and inflation. Accordingly, it recommended that he should be requested to explore and thoroughly

analyse additional options for addressing the current recosting methodology, including the practise of recosting the programme budget four times in the biennial cycle, and to submit his report separately from the performance report for consideration by the Assembly no later than at the main part of its sixty-seventh session.

72. **Mr. Di Luca** (Argentina), speaking on behalf of the Group of 77 and China, said that recosting was an integral part of the Organization's budgeting procedures, as set out in General Assembly resolutions 41/213 and 42/211. The Group would reject any attempt to undermine the compromise on those procedures reached over 20 years earlier: delegations could not pick and choose those parts that suited them or attempt to reinterpret the resolutions. Any arbitrary modification of the recosting methodology aimed at achieving purported savings would be detrimental to the implementation of mandates under all budget sections and would undermine the priorities set by the Assembly. While he had noted the information provided on the methodologies used by other international organizations, he emphasized that, owing to its unique nature, the United Nations required customized recosting measures. The current methodology was sound and should remain unchanged.

The meeting rose at 12.45 p.m.